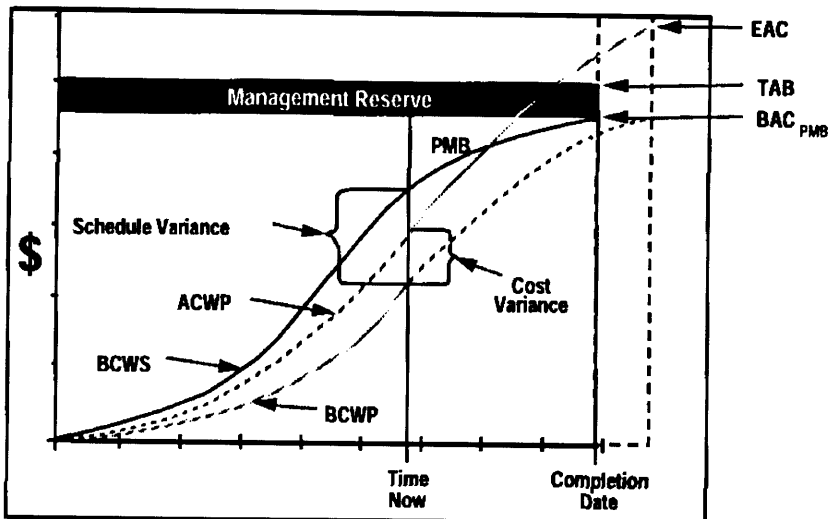


Defense Systems Management College

Earn Value Management Gold Card



VARIANCES (Favorable is positive, Unfavorable is negative)

- Cost Variance $CV = BCWP - ACWP$ $CV\% = \frac{CV}{BCWP}$
- Schedule Variance $SV = BCWP - BCWS$ $SV\% = \frac{SV}{BCWS}$
- Variance at Completion $VAC = BAC - EAC$

PERFORMANCE INDICES (Favorable is > 1.0, Unfavorable is < 1.0)

- Cost Efficiency $CPI = \frac{BCWP}{ACWP}$
- Schedule Efficiency $SPI = \frac{BCWP}{BCWS}$

OVERALL STATUS

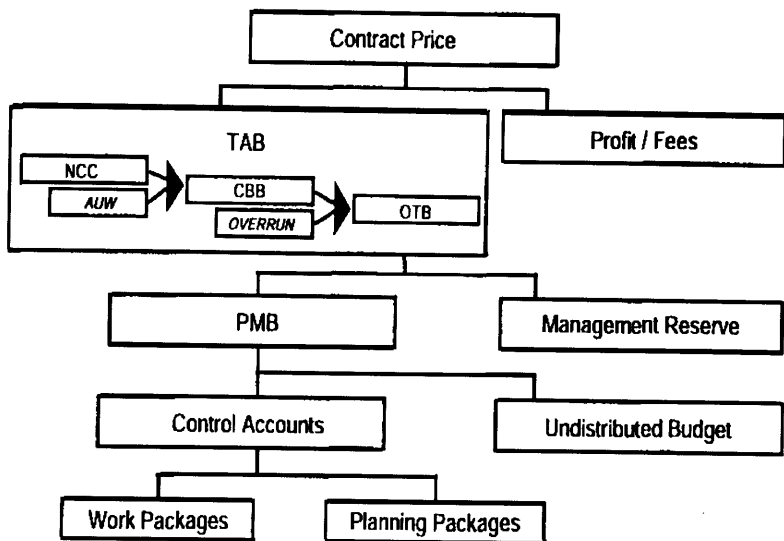
- Percent Complete $= \frac{BCWP_{CUM}}{BAC}$
- Percent Spent $= \frac{ACWP_{CUM}}{BAC}$

TO COMPLETE PERFORMANCE INDEX (TCPI)

- $TCPI_{EAC} = \frac{WORK\ REMAINING}{COST\ REMAINING} = \frac{BAC - BCWP_{CUM}}{EAC - ACWP_{CUM}}$

ESTIMATE AT COMPLETION (EAC = ACWP + Estimate for Remaining Work)

- $EAC_{CPI} = \frac{BAC}{CPI_{CUM}}$
- $EAC_{Composite} = ACWP_{CUM} + \frac{BAC - BCWP_{CUM}}{(CPI_{CUM}) \cdot (SPI_{CUM})}$



TERMINOLOGY

NCC	- Negotiated Contract Cost	<i>(Contract price less profit/fee(s))</i>
AUW	- Authorized Unpriced Work	<i>(Work approved, but not yet negotiated)</i>
CBB	- Contract Budget Base	<i>(Sum of NCC and AUW)</i>
OTB	- Over Target Baseline	<i>(Sum of CBB and recognized overrun)</i>
TAB	- Total Allocated Budget	<i>(Sum of all budgets for work on contract-NCC, CBB or OTB)</i>
BAC	- Budget At Completion	<i>(Total budget--for total contract thru any given level)</i>
PMB	- Performance Measurement Baseline	<i>(Contract time-phased budget plan)</i>
MR	- Management Reserve	<i>(Budget withheld by contractor PM for unknowns/risk mgt)</i>
UB	- Undistributed Budget	<i>(Broadly defined activities not yet distributed to CAs)</i>
CA	- Control Account	<i>(Lowest CWBS element assigned to a single focal point to plan and control the scope/sched/budget)</i>
WP	- Work Package	<i>(Near-term, detail-planned activities within a CA)</i>
PP	- Planning Package	<i>(Far-term CA activities not yet defined into WPs)</i>
BCWS	- Budgeted Cost for Work Scheduled	<i>(Value of work planned to be done) -- PLAN</i>
BCWP	- Budgeted Cost for Work Performed	<i>(Value of work accomplished) -- EARNED VALUE</i>
ACWP	- Actual Cost of Work Performed	<i>(Cost of work accomplished) -- ACTUAL COST</i>
EAC	- Estimate At Completion	<i>(Est. of total cost-- for total contract thru any given level)</i>

EVM POLICY (as defined in DOD 5000.2-R)

EVMS Criteria Approach (Management control system must meet Criteria):

- Required for non-FFP contract exceeding \$70M RDT&E or \$300M in procurement (CY96\$).
 - Below-threshold use may be appropriate—consider benefits, risk and criticality.
- Contractor must establish, maintain, and use a system that meets the intent of the 32 Criteria.
- Cost Performance Report (CPR) is delivered as a CDRL item .
 - 5 Formats (WBS, Organization, Baseline, Staffing, and Explanations).

C/SSR Approach (Management control system not required to meet Criteria):

- Required for non-FFP contract exceeding \$6M (CY96\$) and 12 months in length.
- Contractor system with reasonably objective earned value methods is adequate.
- Cost/Schedule Status Report (C/SSR) is delivered as a CDRL item.
 - 2 Formats (WBS and Explanations)

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January 2000